

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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In re:	)	)
	)	Chapter 11
	)	)
NORTHVOLT AB, <i>et al.</i> <sup>1</sup>	)	Case No. 24-90577 (CML)
	)	)
Debtors.	)	(Joint Administration Requested)
	)	)

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**DECLARATION OF SCOTT MILLAR,  
SENIOR MANAGING DIRECTOR OF TENEON, IN SUPPORT  
OF THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

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I, Scott Millar, hereby declare under penalty of perjury:

1. Northvolt commences these chapter 11 cases with one overarching objective: to partner with one or more long-term strategic or financial investors that will leverage nearly a decade of Northvolt's industry-defining, geo-politically strategic investment in world-class battery manufacturing technology. Northvolt has a strong foundation in place—built on billions of dollars of investment to date—to revolutionize this burgeoning industry. But the Company is now facing an acute liquidity crisis and no longer has the runway to realize its vision. Certain of Northvolt's existing stakeholders have stepped up to provide short-term financing, but time is of the essence. Northvolt stands ready and willing to engage with all parties—existing stakeholders and new investors alike—to develop a comprehensive going-concern recapitalization or sale so it can execute on its refined business plan.

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<sup>1</sup> A complete list of each of the debtors in these chapter 11 cases (collectively, the “Debtors”) may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.stretto.com/Northvolt>. The location of Debtor Northvolt AB’s principal place of business is Alströmergatan N 20, 112 47 Stockholm, Sweden; the Debtors’ service address in these chapter 11 cases is Northvolt AB c/o Stretto, Inc. 410 Exchange, Suite 100, Irvine, CA 92602. “Northvolt” or the “Company” refers to Northvolt AB together with its Debtor and non-Debtor affiliates.

2. The origins of Northvolt can be traced back to a simple but ambitious idea: to create a sustainable battery industry in Europe. This idea first came to Peter Carlsson and Paolo Cerruti in 2015 while they worked together in supply chain and operations for Tesla. At the time, electric vehicles were becoming a competitive product and electrification was sweeping across industries. But there was no meaningful battery manufacturing presence in Europe. Instead, the industry relied on production and materials from Asia, which had serious environmental and supply chain consequences. To address these issues, Peter and Paolo believed that they could bring battery manufacturing to Europe and, in turn, revolutionize the industry with new science and environmentally clean products.

3. At that time, however, Peter and Paolo had nothing more than their industry experience and bold vision. Fortunately, they were not alone in their ambitions. As it turns out, some 8,600 kilometers away in Stockholm, Carl-Erik Lagercrantz, chairman of the battery company Incell International AB, had a similar idea. Carl-Erik had been working to create a world-class battery application company that could help combat the industry's reliance on Asian battery cells by sourcing and producing batteries in Europe. In 2015, Carl-Erik reached out to Peter to discuss his vision. That call led to several meetings in Stockholm where Carl-Erik and Peter discussed the future of the battery industry.

4. As the idea took hold, the small group began work on a pre-study to explore whether a gigafactory—a large-scale manufacturing facility for electric vehicle batteries and other components—could be viable in Europe. Over the next few months, Peter and Paolo traveled the world to meet with potential customers, suppliers, investors, government representatives, and other stakeholders to explore this revolutionary concept.

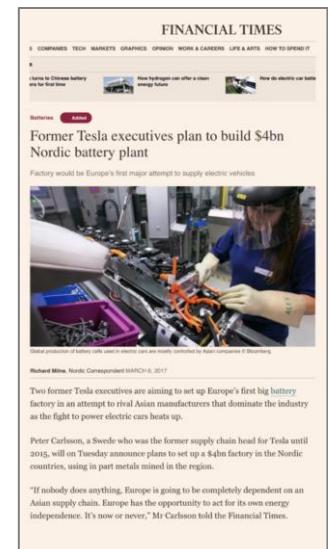
5. One evening in fall of 2016, the decision was made to bring the vision of building a European battery gigafactory to life. Operating under the name SGF Energy AB,<sup>2</sup> the small



group gradually began to grow into a hand-picked team of innovative experts committed to changing the battery industry. As the team grew, the staff rented a small office space in Stockholm, Sweden, to serve as the base for operations. After

assembling their IKEA desks, the team then tackled the slightly more difficult project of crafting what would become Northvolt's business strategy and plan.

6. On March 7, 2017, Northvolt announced its plans to the world. The reception was immediately positive. Northvolt publicized its mission of establishing a European supply chain of batteries, beginning with the construction of Europe's largest battery cell factory with annual target production of 40 gigawatt hours ("GWh").<sup>3</sup> Central to this vision were clean energy, recycling, and sustainable processes—all geared to ensure that the gigafactory would produce the world's greenest battery.



7. The scale of the project was unprecedented. Prerequisites for success went beyond financing and included comprehensive environmental permitting, identification of a strategic site with access to sufficient clean energy resources, endorsement from customers and suppliers, and a world-class team. Because Europe's battery industry was relatively immature, Northvolt engaged in a global search for talent. The Company brought in cell designers from Asia and data

<sup>2</sup> The Company later changed its name to Northvolt AB in 2017.

<sup>3</sup> GWh is a unit of energy, representing one billion watt-hours, that is used to measure the total energy capacity of a large battery pack or the amount of energy an electric vehicle can store.

model and battery system specialists from Silicon Valley and also recruited experienced professionals who faced similar challenges with breakthrough technologies in other industries.

8. After building its team, Northvolt turned to its next top priority: selecting a location in the Nordics for both its first gigafactory and a research and development facility to support battery technology advancements. Forty municipalities throughout Sweden and Finland indicated interest. Ultimately, the team narrowed the selection down to two cities in Sweden: Skellefteå and Västerås. Although Northvolt initially planned to house both its gigafactory and research and development center in the same location, the team decided to take advantage of the benefits of both locations: (a) Northvolt would establish its research and development center—“*Northvolt Labs*”—in Västerås, near Northvolt’s headquarters in Stockholm and existing industrial infrastructure; and (b) Northvolt would establish its first gigafactory—“*Northvolt Ett*” (or “one” in Swedish)—in Skellefteå, an industrial city in the north of Sweden on the Baltic Sea that, among other things, provided access to hydropower sources, maintained an industrial grid that could support the robust demands of a gigafactory, and offered generous government support.

9. With a stellar team and plan in place, Northvolt turned its attention to industrial partnerships. In September 2017, Northvolt made a significant breakthrough when it secured its first partnership with Swedish-Swiss technology company ABB Ltd. Northvolt also secured valuable partnerships with wind power leader Vestas Wind Systems A/S, Swedish truck maker Scania AB (“Scania”), German technology company Siemens AG, and world-leading automaker BMW Group (“BMW”). Northvolt was also selected by Epiroc AB (“Epiroc”), a leading global productivity partner for the mining and infrastructure industries, as the supplier of battery systems for their fleet of electrified underground mining machines.



10. Just as support from European industrial partners was crucial, so was political backing. Northvolt caught the attention of European political actors who hoped to reduce Europe's reliance on Asian battery manufacturers. In February 2018, the European Investment Bank (the "EIB") approved a loan for the establishment of Northvolt Labs. The Swedish Energy Agency also provided a grant to support Northvolt Labs. European government entities recognized the importance of building a local ecosystem and saw Northvolt as the prime driver for establishing large-scale battery manufacturing in Europe.

11. In spring 2018, Northvolt broke ground on its first facility—Northvolt Labs in Västerås. With the Vice President of the European Commission, Swedish Minister of Enterprise, and Vice President of the EIB in attendance, this event marked an important step towards establishing the European battery supply chain. Largely as a result of the innovation at Northvolt Labs, Northvolt became a leader in battery technology. By December 2019, Northvolt Labs was online designing and developing battery cells. Throughout the summer of 2020, Northvolt Labs delivered cell samples to customers and expanded its head count. In December 2021, Northvolt Labs developed its first lithium-ion battery cell. Just two years later, in November 2023, Northvolt Labs launched a state-of-the-art sodium-ion battery technology.



*Northvolt Labs Research and Development Facility (Västerås, Sweden)*

12. Although Northvolt Labs was the Company's first operational location, the heart of Northvolt's vision was Northvolt Ett, Europe's first homegrown gigafactory. In June 2019, as ground preparations for the gigafactory concluded, Northvolt completed an equity capital raise of \$1 billion for the development of Northvolt Ett. Key investors included, among others, affiliates of Goldman Sachs Group Inc. ("Goldman Sachs") and Volkswagen Group ("Volkswagen"). At that point in time, Northvolt had secured supply agreements amounting to a combined order value of over \$13 billion through 2030. As construction continued, in July 2020, Northvolt raised an additional \$1.6 billion from a consortium of commercial banks, pension funds, and public institutions to further develop Northvolt Ett and meet the growing demands of its customers. Northvolt Ett officially commenced operations in late 2021, and in December of that year, Northvolt Ett assembled its first lithium-ion battery cell shortly after its development at Northvolt Labs. Since then, Northvolt Ett has continued to increase its production capacity, hitting a high of 60,000 battery cells produced per week in September 2024. Currently, Northvolt Ett has capacity to produce 300,000 batteries per year.



*Northvolt Ett, Europe's First Gigafactory (Skellefteå, Sweden)*

13. In parallel, the Company continued its expansion plans and investment in industry-changing technology.

- In October 2018, Northvolt established a facility in Poland—“**Northvolt Dwa**” (or “two” in Polish)—to assemble battery modules and packs. In 2023, the Company opened Northvolt Dwa ESS, a highly automated factory for energy storage systems, alongside an industrialization and engineering research and development center.
- In December 2019, Northvolt launched its recycling program—“**Revolt**”—to execute on its strategy of becoming a leader in sustainable battery manufacturing. In June 2020, the Company also announced its “**Hydrovolt**” joint venture in partnership with Norwegian aluminum manufacturer, Norsk Hydro ASA (“Hydro”), to establish a battery recycling facility in Fredrikstad, Norway.

14. In addition to its active operations, the Company laid the groundwork for future expansion:

- In March 2022, Northvolt announced plans to build a gigafactory in Heide, Germany—“**Northvolt Drei**” (or “three” in German). The facility was planned in partnership with federal and state governments as well as local authorities that provided significant financial support. During 2023, Northvolt AB secured over €1.3 billion in convertible instruments and grants from German governmental institutions, dedicated to the development of the Northvolt Drei gigafactory. The site is fully permitted, with all necessary regulatory approvals secured. Although Northvolt Drei is in the early phases of construction, it currently holds approximately \$375 million in cash and remains an essential component of Northvolt’s future growth plan.



*(Early Construction of Northvolt Drei)*



*(Rendering of Northvolt Drei)*

- In September 2023, Northvolt announced its first expansion outside of Europe into North America: a gigafactory near Montréal, Québec—“**Northvolt Six**.” Like Northvolt Drei, Northvolt Six was planned with significant local government support and has received all necessary regulatory approvals to begin construction. Shortly after Northvolt’s entry into Canada, the project secured approximately \$5.8 billion in federal and provincial commitments comprised of a blend of grants, debt, and convertible instruments. Northvolt Six currently holds approximately \$240 million in cash and represents a key pillar of the Company’s future growth strategy.



*(Land for Future Northvolt Six Development)*



*(Rendering of Northvolt Six)*

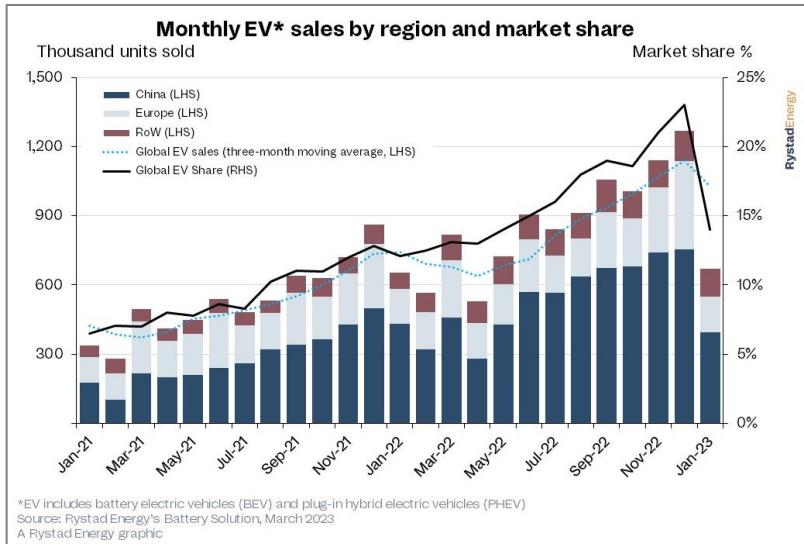
15. Northvolt quickly grew to become a battery manufacturing powerhouse. By securing strategic industrial partnerships with leading companies, Northvolt positioned itself as a major player in the electric vehicle market. Notably, in 2022, Northvolt became the first European battery company to make commercial shipments to a carmaker, marking a significant milestone in the continent’s pursuit of battery independence. Today, Northvolt has approximately 6,600 employees across seven countries. The Company has served numerous automotive leaders, including BMW, Audi AG, Porsche AG, Scania, Volvo Car Corporation (“Volvo”), and Polestar.

16. But Northvolt’s impressive growth and technological innovation have not come without significant challenge. At bottom, the battery manufacturing industry is capital intensive,

and the Company has yet to turn a profit. Revenues generated have been invested back into the Company to support its operations and growth. And despite its significant investments, Northvolt has faced production shortfalls.

17. Moreover, to operate in such a capital-intensive environment, Northvolt required significant investment. Northvolt received equity investments from, among other parties, Volkswagen and Goldman Sachs—which are the two largest shareholders of Northvolt’s parent company Northvolt AB—as well as entities affiliated with the Company’s founders and numerous commercial banks, pension funds, and public institutions. In addition to equity investments, the Company has raised considerable debt to support its operations and growth. Among other debt investments, the Company’s capital structure includes approximately \$3.8 billion in convertible instruments at the Northvolt AB level and project financing in the amount of approximately \$1.6 billion secured on a first and second lien basis at Northvolt Ett AB.

18. Northvolt’s capital structure and business plan were premised on the assumption that the electric vehicle industry would continue its pattern of consistent growth. Indeed, the European electric vehicle market had been growing at a record pace, fueled by strong government support, increasingly strict emissions regulations, and growing consumer interest in sustainable transportation. In 2023, however, electric vehicle sales began slumping due to, among other things, economic uncertainties and operational challenges, which impacted battery manufacturers worldwide as customers cancelled contracts, reduced orders, and renegotiated terms. Notwithstanding this global downturn, established Asian manufacturers continued scaling up production and pushing down battery prices; this resulted in further stress on newer battery manufacturers like Northvolt. Due in large part to these challenges, Northvolt recorded a \$1.2 billion net loss in 2023.



19. Northvolt quickly took action to navigate these challenges. To protect its core business, the Company made the difficult decision to streamline certain operations and narrow its focus to the development of battery technology at Northvolt Labs and the manufacturing of battery cells at Northvolt Ett. As the challenges continued to mount, Northvolt recognized that additional liquidity would be necessary to support its go-forward operations. As a starting point, Northvolt turned to its existing shareholders to secure a \$154 million shareholder bridge facility in August 2024. This bridge financing, though necessary, only provided temporary liquidity support in light of the Company's high operational costs.

20. Northvolt recognized the need for a more comprehensive business plan and restructuring support. The Company engaged Teneo Financial Advisory LTD (“Teneo Financial Advisory”) and Teneo Capital LLC (together with Teneo Financial Advisory, “Teneo”), as financial advisor and Rothschild & Co. (“Rothschild”), as investment banker in August 2024, as well as Kirkland & Ellis LLP and Kirkland & Ellis International LLP (collectively, “K&E”), as counsel in September 2024, to assess the Company’s strategic options and continue discussions with key constituencies. The Company, with the assistance of its advisors, quickly deepened its engagement with three key stakeholder groups—shareholders, lenders, and customers—regarding

near-term financing to bridge to a longer-term recapitalization solution on an out-of-court basis. The initiative—known as the “stable platform”—was intended to provide a foundation on which the Company could execute on its refined business plan. In October 2024, as negotiations continued, the Company received the first tranche of funding under the stable platform with the release of (a) approximately \$25 million from Northvolt Ett AB’s debt service reserve account and (b) approximately \$25 million in unapplied existing shareholder bridge facility funds, which enabled the Company to overcome an immediate-term liquidity wall.

21. Northvolt continued to engage with its key stakeholder groups. But, as the Company’s financial picture worsened and the attitudes of certain key stakeholders changed, the stable platform framework eventually proved unattainable. The Company again recalibrated its approach and turned to potential in-court restructuring options. Crucially, certain of the stakeholders involved in the stable platform negotiations—(a) Scania and (b) the Prepetition Secured Lenders (as defined below)—indicated that they may be willing to provide additional financing to Northvolt in a chapter 11 process.

22. After hard-fought, arm’s length negotiations between the Company and these stakeholders, the parties reached a deal for the provision of postpetition financing and the use of cash collateral to fund the initial phase of these chapter 11 cases. Specifically, the parties agreed on the terms of (a) a \$100 million senior-secured, superpriority, multi-draw debtor-in-possession term loan credit facility provided by Scania and (b) access to cash collateral in the form of releases of (i) approximately \$110 million from the Northvolt Ett debt service reserve account and (ii) approximately \$35 million from other of Northvolt Ett AB’s bank accounts.

23. However, Northvolt’s liquidity picture has become dire. As of the Petition Date, the Company has approximately \$30 million of available cash on hand, which can only support its

operations for approximately one week in the current operating environment. The Company requires meaningful further investment to achieve a comprehensive, value-maximizing recapitalization in support of its long-term business plan. Northvolt will leave no stone unturned in its efforts to save this industry-defining business.

### **Background and Qualifications**

24. I am Senior Managing Director in the Financial Advisory business and leader of the Interim Management practice at Teneo Financial Advisory. I have over twenty-five years of experience as a financial advisor to public and private companies, serving in a variety of capacities, including positions with senior management. I have undertaken both advisory and executive roles, including Director of Refinancing, Chief Transformation Officer, and Chief Restructuring Officer.

25. I have served as a Senior Managing Director at Teneo Financial Advisory since June 2024. Prior to joining Teneo Financial Advisory, I was Senior Managing Director at Ankura Consulting Group, LLC from 2021 to 2024. Before that, I was co-head of the UK Turnaround and Restructuring practice at AlixPartners LLP from 2015 to 2019. I was also a Partner at the financial advisory firm Zolfo Cooper LLP from 2006 to 2015. I started my career at PriceWaterhouseCoopers, where I held various roles from 1998 to 2006. I hold an M.A. in Economics from Aberdeen University.

26. In my role as Senior Managing Director at Teneo Financial Advisory, I am intimately involved with the day-to-day operations of Northvolt and familiar with Northvolt's history, business and financial affairs, and books and records.

27. On the date hereof (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of Texas (the "Court"). The Debtors have also filed motions and pleadings seeking various types of "first day" relief that

are necessary for the Debtors to meet critical obligations and fulfill their duties as debtors in possession (collectively, the “First Day Motions”), the evidentiary support for which is attached hereto as **Exhibit A**.

28. Except as otherwise indicated, all facts in this declaration are based upon my personal knowledge, my discussions with the Company’s management team and advisors, my review of relevant documents and information concerning the Company’s operations, financial affairs, and restructuring initiatives, or my experience, knowledge, and familiarity with the Company’s business and operations. I am over the age of eighteen, and if called upon to testify, I would testify competently to the facts set forth in this declaration.

29. To better familiarize the Court with the Debtors, their business, and the circumstances leading to these chapter 11 cases, this declaration is organized into three sections:

- **Part I** provides a general overview of the Debtors’ corporate history and business operations;
- **Part II** offers detailed information on the Debtors’ prepetition organizational and capital structure; and
- **Part III** describes the circumstances leading to the commencement of these chapter 11 cases, an overview of the Debtors’ prepetition restructuring efforts, and proposed path forward in chapter 11.

### **Part I: Corporate History and Operations**

#### **A. Corporate History.**

##### **1. History and Expansion.**

30. After leaving Tesla in 2015, Peter and Paolo formally founded the Company in October 2016. Between January 2017 and January 2024, Northvolt raised over \$8 billion in

investments,<sup>4</sup> including support from the Swedish government and other European governments. The Company used this crucial backing to expand production capacity of Northvolt's battery cells and systems, scale research and development activities at Northvolt Labs, and meet increasing customer demand.

31. As Northvolt grew, the Company sought to expand both within Sweden and across the globe into the following countries:

- **Poland.** The Company established an energy storage system facility, Northvolt Dwa, in Gdańsk, Poland.
- **Norway.** The Company announced Hydrovolt, a joint venture established with Hydro to enable recycling of battery materials and aluminum for electric vehicles in Fredrikstad, Norway.
- **Germany.** The Company announced plans to establish its third gigafactory, Northvolt Drei, in Heide, Germany.
- **Canada.** The Company announced plans for its first North American gigafactory, Northvolt Six, near Montréal, Québec.
- **Portugal.** The Company announced plans for Aurora Lithium, a joint venture with Galp Energia, S.A. (“Galp”) for the conversion of lithium-containing materials into battery-grade lithium hydroxide at Europe’s largest, most sustainable lithium conversion plan in Setúbal, Portugal.
- **United States.** The Company acquired Cuberg, Inc. (“Cuberg”), a U.S.-based battery technology company, to establish a new advanced technology center in Silicon Valley.
- **Sweden.** The Company (a) partnered with Volvo to form the NOVO Energy joint venture, which plans to build a gigafactory in Gothenburg, Sweden to produce sustainable batteries to power the next generation of pure electric Volvo cars and (b) purchased a closed paper mill in Borlänge, Sweden to repurpose it into a new gigafactory, Northvolt Fem.

32. As part of its growth initiatives, Northvolt entered into additional strategic partnerships with automotive leaders. In September 2019, Northvolt announced a strategic joint

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<sup>4</sup> This figure does not include the \$5 billion “green loan” that Northvolt raised in connection with its planned expansion of Northvolt Ett because the Company’s expansion plans were ultimately abandoned and the loans were not funded.

venture with Volkswagen<sup>5</sup> and later secured a \$14 billion order for the production of battery cells. In July 2020, the Company signed a long-term supply agreement with BMW for battery cells produced at Northvolt Ett.

33. Despite its many successes and strong foundation, in 2023, Northvolt began to experience a series of challenges, including delays at Northvolt Ett, an inability to satisfy certain customer requirements, and a downturn in the electric vehicle industry. The Company announced a strategic review of its business in early 2024 and shifted focus to Northvolt's core objective of large-scale battery cell manufacturing. Northvolt determined that accelerating production at Northvolt Ett and halting development efforts elsewhere was crucial to the Company's future success.

#### **B. Business Operations.**

34. At the core of Northvolt's operations are its gigafactories, which produce high-performance batteries for electric vehicles and large-scale energy storage systems. Northvolt also invests heavily in research and development to advance battery chemistry, design, and production methods. In addition, the Company prioritizes recycling efforts to recover valuable materials from end-of-life batteries.

##### **1. Northvolt's Operational Sites.**

35. The Company currently conducts operations at four locations across Europe: (a) Northvolt Ett, (b) Northvolt Labs, (c) Northvolt Dwa, and (d) Hydrovolt.

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<sup>5</sup> Northvolt's joint venture with Volkswagen was later terminated in 2021.

36. ***Northvolt Ett.*** Northvolt Ett is a state-of-the-art gigafactory that produces high-capacity batteries for electric vehicles and energy storage solutions. Located in Skellefteå, Sweden, Northvolt Ett has grown to over 3,500 employees since its inception in 2019. The facility has been providing lithium-ion battery cells to major automakers since the second quarter of 2022. With a target capacity of 60 GWh—a supply of cells sufficient to power one million electric vehicles each year—and a current capacity of 16 GWh, Northvolt Ett stands as one of Europe's largest battery production facilities.

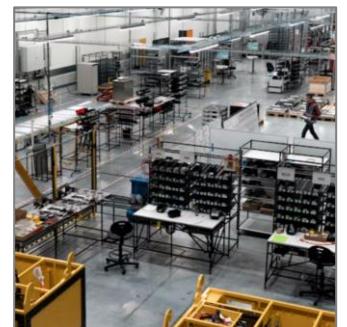


37. ***Northvolt Labs.*** Northvolt Labs, located in Västerås, Sweden, is the centerpiece of



Northvolt's research and development efforts. It serves as a testing ground for new battery cell designs and the development of manufacturing processes before scaling them to full production. Northvolt Labs currently has over 1,000 employees.

38. ***Northvolt Dwa.*** Located in Gdańsk, Poland, the Northvolt Dwa facility has been active since 2019 and is comprised of two distinct operational sites that serve separate markets with specialized products: Northvolt Dwa Industrial (for assembly of battery modules and packs) and Northvolt Dwa ESS (for assembly of energy storage systems). A sale process for Northvolt Dwa Industrial is currently ongoing while the Company is winding down Northvolt Dwa ESS.



39. **Hydrovolt.** Hydrovolt is a joint venture between Northvolt and Hydro to recycle lithium-ion batteries from electric vehicles. Established in 2020 in Fredrikstad, Norway,



Hydrovolt is a recycling plant that has the capacity to process approximately 12,000 tons of battery packs per year, which translates to about 25,000 electric vehicle batteries. The plant's operations focus on recovering up to 95% of valuable materials from old batteries, such as aluminum, copper, plastic, and black mass.

## 2. Projects Under Development.

40. The Company currently has four projects under development: (a) Revolt Ett, (b) Northvolt Drei, (c) Northvolt Six, and (d) Aurora Lithium.

41. **Revolt Ett.** Revolt Ett is the Company's battery recycling facility under development in Skellefteå, Sweden. Part of the facility's recycling capabilities are currently operational. Once fully operational, the facility is intended to recover valuable materials from end-of-life batteries and then reintegrate those materials into Northvolt's battery production. A sale process is underway for Northvolt Revolt AB, including Revolt Ett.



42. **Northvolt Drei.** Northvolt Drei is the Company's third gigafactory project, strategically located in Heide, Germany. The facility is planned to bolster Northvolt's battery



production capabilities in Europe, with a target annual output of 60 GWh. Once operational, Northvolt Drei is expected to create approximately 3,000 jobs and become a crucial part of the European battery supply chain.

43. ***Northvolt Six.*** Northvolt Six is the Company's inaugural gigafactory project in North America, strategically located near Montréal, Québec. With plans to become Canada's first fully-integrated battery manufacturing plant, Northvolt Six will combine the production of cathode active materials, battery cell assembly, and battery recycling within a single site.



44. ***Aurora Lithium.*** Aurora Lithium is a joint venture established in 2022 between Northvolt and Galp to develop Europe's largest and most sustainable lithium conversion plant. The facility, planned to be built in Setúbal, Portugal, is expected to have an initial production



capacity of up to 35,000 metric tons of lithium hydroxide per year. Originally scheduled to commence operations in early 2026, the timeline for Aurora Lithium has been delayed due in part to complexities involved in the project.

### 3. Product Lines.

45. Northvolt's product lines embody its mission to develop sustainable, high-performance energy solutions for a wide range of industries. Divided into two core categories—cells and systems—Northvolt's offerings include electric vehicle battery cells, renewable energy storage, high-performance devices, and complete energy storage systems to support various infrastructure, grid stability, and temporary energy demands.

46. ***Lithium-ion Battery Cell.*** Lithium-ion battery cells are the most widely used rechargeable battery technology today, which power a range of applications from consumer electronics to electric vehicles and electronic



machinery. Northvolt's lithium-ion cells stand out due to their emphasis on sustainability, high performance, and durability.



47. **Sodium-ion Battery Cell.** In November 2023, Northvolt was the first European company to develop a state-of-the-art sodium-ion battery cell. Sodium and iron, two primary components, are far more abundant and affordable than lithium, resulting in a 30% production cost reduction.

48. **Lithium-Metal Cell.** Lithium-metal cells represent a cutting-edge advancement in battery technology because they are optimized for high-performance applications such as electric aviation and advanced electric mobility. Lithium-metal cells have significantly increased energy density, meaning they can store more energy in a smaller, lighter package.



49. **Voltpack Core.** Voltpack Core is Northvolt's versatile, scalable battery solution engineered to support a range of heavy-duty industrial applications with maximum efficiency and reliability. As a "plug-and-play" product, Voltpack Core enables industrial users to replace diesel



engines with a compact, flexible, and sustainable battery solution that integrates seamlessly into industrial machinery without the need for extensive redesigns.

50. **Voltpack Mobile System.** The Voltpack Mobile System is Northvolt's mobile energy storage solution, developed as a clean alternative to traditional diesel generators. Designed to supply reliable power wherever it is needed, Voltpack Mobile offers a flexible setup for temporary energy needs from construction sites and events to remote charging.



51. **Voltrack.** Voltrack is a modular energy storage system designed for industrial and commercial use. Built as a standalone, flexible unit, it stores energy for peak demand times, helping stabilize energy supply and optimize grid usage.



## **Part II: The Debtors' Prepetition Organizational and Capital Structure**

### **A. Northvolt's Prepetition Organizational Structure.**

52. Northvolt's organizational structure consists of thirty entities (including joint ventures), nine of which are Debtors in the chapter 11 cases. The organizational structure consists of entities incorporated in Sweden, Germany, Canada, Norway, Poland, the United States, Japan, and Portugal, and includes joint ventures with Volvo, Galp, and Hydro. Northvolt's corporate organizational structure is attached to this declaration as **Exhibit B**.

53. Each of the nine Debtor entities that commenced these chapter 11 cases has property in the United States. Specifically, each Debtor maintains a United States bank account with a balance of at least \$1,000.<sup>6</sup> In addition, the Debtors have funded a retainer in the amount of \$250,000 to Texas counsel, Haynes and Boone LLP, which retainer is being held in a client trust account in Texas. Moreover, Debtors Cuberg, Inc.<sup>7</sup> and Northvolt Systems AB<sup>8</sup> have business ties to the United States. During the course of negotiations with the Debtors' key stakeholders, and in light of the various locations throughout the United States with connections to the Debtors, the parties concluded that Texas was the preferred United States venue for these

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<sup>6</sup> With respect to each Debtor other than Cuberg, Inc., such bank accounts are held with Western Alliance Bank in Phoenix, Arizona.

<sup>7</sup> Debtor Cuberg, Inc. is a San Leandro, California-based battery technology company incorporated in Delaware. The business, which is in the process of being wound down, has (a) two bank accounts held with JPMorgan Chase Bank, N.A., in New York, New York, with an aggregate balance of over \$2.5 million, (b) approximately twenty remaining employees, and (c) certain intellectual property assets.

<sup>8</sup> Debtor Northvolt Systems AB is a Sweden-based manufacturer of battery modules and packs. The Debtors are currently undergoing a sale process with respect to the assets associated with this business. Northvolt Systems AB is party to contracts with certain key customers and suppliers located in the United States.

chapter 11 cases. Consistent with that conclusion, the Company established NV Texas, LLC on November 18, 2024, and commenced these chapter 11 cases to secure the requisite funding necessary to meet critical payroll needs and ensure a smooth transition into chapter 11.

**B. Northvolt's Prepetition Capital Structure.**

54. As of the Petition Date, Northvolt had approximately \$5.84 billion in total funded debt obligations, approximately \$5.66 billion of which is held by Debtor entities. The following table depicts the Debtors' prepetition capital structure:

Facility	Maturity	Outstanding Principal Amount
<i>Northvolt AB Unsecured Debt Facilities</i>		
<b>Shareholder Bridge Facility</b>	August 14, 2025	\$154 million
<b>VW Convertible Instrument</b>	December 31, 2025	\$330 million
<b>Volta Convertible Instrument</b>	August 17, 2027	\$2.764 billion
<b>KfW Convertible Instrument</b>	June 30, 2028	\$670 million
<b>Total Northvolt AB Debt:</b>		<b>\$3.918 billion</b>
<i>Northvolt Ett Secured Debt Facilities</i>		
<b>EIB Term Loan</b>	December 31, 2029	\$313 million
<b>Commercial Uncovered Term Loan</b>	December 31, 2029	\$45 million
<b>KEXIM Term Loan</b>	December 31, 2029	\$87 million
<b>Euler Hermes Covered Term Loan</b>	December 31, 2029	\$470 million
<b>NEXI Covered Term Loan</b>	December 31, 2029	\$131 million
<b>BPIAE Covered Term Loan</b>	December 31, 2029	\$67 million
<b>Revolving WC Facility</b>	December 31, 2029	\$110 million
<b>Northvolt Ett Second Lien</b>	June 30, 2030	\$405 million
<b>Northvolt Ett Inventory Financing</b>	January 24, 2025	\$72 million
<b>Northvolt Ett Second Inventory Financing</b>	March 18, 2025	\$42 million
<b>Total Northvolt Ett Debt:</b>		<b>\$1.742 billion</b>
<i>Canadian Secured Debt Facility</i>		
<b>Northvolt Canada Land Loan</b>	October 31, 2038	\$181 million
<b>Total Debt:</b>		<b>\$5.841 billion</b>

**1. Northvolt AB Debt Facilities.**

*a. Shareholder Bridge Facility.*

55. Debtor Northvolt AB is party to that certain agreement, dated as of August 7, 2024 (as amended, restated, supplemented, or otherwise modified from time to time, the “Shareholder Bridge Facility Agreement”), by and among Northvolt AB, as borrower, Nordic Trustee & Agency AB (Publ), as agent, and certain institutions party thereto from time to time (the “Shareholder Bridge Facility Lenders”). The Shareholder Bridge Facility Agreement provides for a \$154 million bridge facility (the “Shareholder Bridge Facility”) on an unsecured basis, ranking *pari passu* with the VW Convertible Instrument (as defined below). The Shareholder Bridge Facility Lenders issued the Shareholder Bridge Facility for the funding of: (a) general corporate needs of Northvolt Ett AB, including refinancing certain existing financial indebtedness (by way of down-streaming such amounts to Northvolt Ett AB to be applied for such needs); (b) payment or reimbursement by Northvolt AB of amounts payable with regard to transaction expenses; and (c) general corporate needs of Northvolt AB with respect to certain commitments in accordance with the updated business plan approved by the Northvolt AB board of directors.

56. The Shareholder Bridge Facility encompasses proposed security over shares held by Northvolt AB in the guarantors listed below, accounts, and intercompany loans subject to lender consent, which, as of the date hereof, have not been implemented as required consents in respect of such security interests and pledges have not been obtained. The Shareholder Bridge Facility benefits from guarantees provided by Northvolt Systems AB, Northvolt Fem AB, Northvolt Revolt AB, Aurora Lithium AB, and Northvolt Germany TopCo GmbH, subject to mandatory local law guarantee limitations. The Shareholder Bridge Facility matures on August 14, 2025, and bears interest at a rate of 16% payable every interest period (no longer than three months). Northvolt

AB has elected to capitalize the cash interest. As of the Petition Date, the outstanding principal amount of the Shareholder Bridge Facility is approximately \$154 million.

**b. VW Convertible Instrument.**

57. Debtor Northvolt AB is party to that certain agreement, dated as of September 5, 2019 (as amended, restated, supplemented, or otherwise modified from time to time, the “VW Convertible Instrument Agreement”), by and among Northvolt AB, as borrower, and Volkswagen Finance Luxemburg S.A., as lender (the “VW Convertible Instrument Lender”). The VW Convertible Instrument Agreement provides for (a) a convertible euro term loan facility in an aggregate amount equal to €200 million for the financing and acceleration of the expansion plan of Northvolt Ett AB and (b) a convertible euro term loan facility in an aggregate amount equal to €200 million for the financing of the equity investment by Northvolt AB into the German joint venture established with Volkswagen (collectively, the “VW Convertible Instrument”). The VW Convertible Instrument is unsecured, ranking *pari passu* with the Shareholder Bridge Facility. The VW Convertible Instrument bears interest at the rate of 7% per annum either until the earlier of September 30, 2021, or the date when the VW Convertible Instrument Lender makes a specified investment in Northvolt AB and 5.5% per annum after one of either of the above-described conditions is met. As of the Petition Date, the outstanding principal amount of the VW Convertible Instrument is approximately \$330 million. The VW Convertible Instrument matures on December 31, 2025. On the maturity date, or upon the exercise of a conversion option available when certain circumstances are met, the principal amount of the loans, the accrued interest, and all other amounts accrued under the VW Convertible Instrument that are outstanding will convert to new shares in Northvolt AB.

*c. Volta Convertible Instrument.*

58. Debtor Northvolt AB is party to that certain agreement, dated as of July 1, 2022 (as amended, restated, supplemented, or otherwise modified from time to time, the “Volta Convertible Instrument Agreement”), by and among Northvolt AB, as borrower, and investors and shareholders party thereto for general corporate purposes and for the financing of the Company’s further growth and expansion of its battery production footprint and recycling and battery systems businesses. The Volta Convertible Instrument Agreement provides for convertible loan investments (the “Volta Convertible Instrument”), bearing interest at 8% per annum, increased by 1% every interest period but not to exceed 12%, and maturing on August 17, 2027, with closings happening in stages. As of the first closing, a convertible loan investment totaling approximately \$1.063 billion was made by investors. The Volta Convertible Instrument is subordinated to the Shareholder Bridge Facility and the VW Convertible Instrument. As of the Petition Date, as a result of further closings under the Volta Convertible Instrument, the outstanding principal amount of the Volta Convertible Instrument is approximately \$2.764 billion. On the occurrence of certain events described in the Volta Convertible Instrument Agreement, an investor will either have a mandatory obligation or voluntary option to convert its conversion debt into shares of Northvolt AB, or should such event not occur, Northvolt AB will have discretion, subject to an investor’s consent, to convert or repay an investor’s conversion debt.

*d. KfW Convertible Instrument.*

59. Debtor Northvolt AB is party to that certain agreement, dated as of October 30, 2023 (as amended, restated, supplemented, or otherwise modified from time to time, the “KfW Convertible Instrument Agreement”), by and among Northvolt AB, as borrower, and Kreditanstalt für Wiederaufbau (“KfW”), as lender. The KfW Convertible Instrument Agreement provides for a convertible loan in the amount of €600 million represented by (a) 2,000 convertible

note series 2023/2028:1 of Northvolt AB in the aggregate nominal amount of €200 million and (b) 4,000 convertible note series 2023/2028:2 of Northvolt AB in the aggregate nominal amount of €400 million (collectively, the “KfW Convertible Instrument”), bearing interest at the rate of three-months-EURIBOR plus 100 base points per annum and maturing on June 30, 2028. Northvolt AB provided the KfW Convertible Instrument to Northvolt Germany TopCo GmbH as an equity injection for the gigafactory in Heide, Germany. The KfW Convertible Instrument is subordinated to the Shareholder Bridge Facility and the VW Convertible Instrument. As of the Petition Date, the outstanding principal amount of the KfW Convertible Instrument is approximately \$670 million. On the occurrence of certain events described in the KfW Convertible Instrument Agreement, Northvolt AB may require noteholders to convert all, some, or fractions of their convertible notes into shares.

## **2. Northvolt Ett Debt Facilities.**

60. To finance the development and construction of its Northvolt Ett gigafactory, Northvolt Ett AB entered into the First Lien Facilities and the Second Lien Facility (each as defined below and collectively, the “Northvolt Ett Snowball Facilities”). Northvolt Ett AB and Northvolt Ett Fastighetsförvaltning AB guarantee each other’s obligations under the debt documents for the Northvolt Ett Snowball Facilities. The terms of the collateral arrangements and the relative priorities of the First Lien Facilities and the Second Lien Facility are governed by that certain Security Agency and Intercreditor Deed, dated as of July 28, 2020 (the “Intercreditor Agreement”).

### **a. First Lien Facilities.**

61. Debtor Northvolt Ett AB, certain lenders identified below (collectively, the “First Lien Secured Lenders”), and other parties identified below are party to various agreements, including the Intercreditor Agreement. Certain material terms of the First Lien Facilities are governed by that certain Common Terms Agreement, dated as of July 28, 2020 (the “Common

Terms Agreement"). Pursuant to those certain security and/or pledge agreements relating to the Northvolt Ett Snowball Facilities (the "Security Agreements"), the First Lien Facilities are secured on a first-priority basis by substantially all of Northvolt Ett AB's assets, certain accounts and property of Northvolt Ett Fastighetsförvaltning AB, as well as pledges of Northvolt AB's shares in Northvolt Ett AB and Northvolt Labs AB (for the avoidance of doubt, the share pledge in Northvolt Labs AB only secures the prepetition release of cash from the Northvolt Ett debt service reserve account) and Northvolt Ett AB's shares in Northvolt Ett Fastighetsförvaltning AB (collectively, the "Prepetition Collateral"). The First Lien Facilities described below mature on December 31, 2029.

62. ***First***, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the "EIB Term Loan Agreement"), by and among Northvolt Ett AB, as borrower, and the EIB, as lender. The EIB Term Loan Agreement provides for a term loan facility in the aggregate principal amount of \$350 million (the "EIB Term Loan"). The EIB Term Loan bears interest at LIBOR plus a spread of 300 basis points. As part of LIBOR transition, the EIB Term Loan Agreement was amended pursuant to a certain agreement, dated July 13, 2023, such that LIBOR was substituted for SOFR plus a customary adjustment spread. As of the Petition Date, the outstanding principal amount of the EIB Term Loan is approximately \$313 million.

63. ***Second***, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the "Commercial Uncovered Term Loan Agreement"), by and among Northvolt Ett AB, as borrower, ING Bank N.V., as facility agent and intercreditor agent, and certain financial institutions party thereto from time to time (the "Commercial Uncovered Term Loan Lenders").

Pursuant to the Commercial Uncovered Term Loan Agreement, the Commercial Uncovered Term Loan Lenders issued the term loan facility in the aggregate principal amount of \$50 million (the “Commercial Uncovered Term Loan”). The Commercial Uncovered Term Loan bears interest at the aggregate of LIBOR and margin (from financial close until, but excluding, the last day of the relevant availability period, 3.50% per annum; and from and including the last day of the relevant availability period until the final maturity date, 3.25% per annum). As part of LIBOR transition, the Commercial Uncovered Term Loan Agreement was amended pursuant to a certain agreement, dated July 13, 2023, such that LIBOR was substituted for SOFR plus a customary adjustment spread. As of the Petition Date, the outstanding principal amount of the Commercial Uncovered Term Loan is approximately \$45 million.

64. **Third**, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the “KEXIM Term Loan Agreement”), by and among Northvolt Ett AB, as borrower, the Export-Import Bank of Korea, as direct lender and facility agent, and ING Bank N.V., as intercreditor agent. The KEXIM Term Loan Agreement provides for a term loan facility in the aggregate principal amount of \$100 million (the “KEXIM Term Loan”). The KEXIM Term Loan bears interest at the aggregate of LIBOR and margin (3% per annum). As part of LIBOR transition, the KEXIM Term Loan Agreement was amended pursuant to a certain agreement, dated July 13, 2023, such that LIBOR was substituted for SOFR plus a customary adjustment spread. As of the Petition Date, the outstanding principal amount of the KEXIM Term Loan is approximately \$87 million.

65. **Fourth**, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time,

the “Euler Hermes Covered Term Loan Agreement”), by and among Northvolt Ett AB, as borrower, Sumitomo Mitsui Banking Corporation, Brussels Branch, as facility agent, Sumitomo Mitsui Banking Corporation, Dusseldorf Branch, as export credit agent, ING Bank N.V., as intercreditor agent, and certain financial institutions party thereto from time to time (the “Euler Hermes Covered Term Loan Lenders”). Pursuant to the Euler Hermes Covered Term Loan Agreement, the Euler Hermes Covered Term Loan Lenders issued the term loan facility in the aggregate principal amount of \$525 million (the “Euler Hermes Covered Term Loan”). The Euler Hermes Covered Term Loan bears interest at the aggregate of LIBOR and margin (1.3% per annum). As part of LIBOR transition, the Euler Hermes Covered Term Loan Agreement was amended pursuant to a certain agreement, dated July 13, 2023, such that LIBOR was substituted for SOFR plus a customary adjustment spread. As of the Petition Date, the outstanding principal amount of the Euler Hermes Covered Term Loan is approximately \$470 million.

66. ***Fifth***, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the “NEXI Covered Term Loan Agreement”), by and among Northvolt Ett AB, as borrower, Sumitomo Mitsui Banking Corporation, Brussels Branch, as facility agent, Sumitomo Mitsui Banking Corporation, as export credit agent, and certain financial institutions party thereto from time to time (the “NEXI Covered Term Loan Lenders”). Pursuant to the NEXI Covered Term Loan Agreement, the NEXI Covered Term Loan Lenders issued the term loan facility in the aggregate principal amount of \$150 million (the “NEXI Covered Term Loan”). The NEXI Covered Term Loan bears interest at the aggregate of LIBOR and margin (1.3% per annum). As part of LIBOR transition, the NEXI Covered Term Loan Agreement was amended pursuant to a certain agreement, dated July 13, 2023, such that LIBOR was substituted for SOFR plus a

customary adjustment spread. As of the Petition Date, the outstanding principal amount of the NEXI Covered Term Loan is approximately \$131 million.

67. ***Sixth***, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the “BPIAE Covered Term Loan Agreement”), by and among Northvolt Ett AB, as borrower, Sumitomo Mitsui Banking Corporation, Brussels Branch, as facility agent, Sumitomo Mitsui Banking Corporation Europe Limited, Paris Branch, as export credit agent, ING Bank N.V., as intercreditor agent, and certain financial institutions party thereto from time to time (the “BPIAE Covered Term Loan Lenders”). Pursuant to the BPIAE Covered Term Loan Agreement, the BPIAE Covered Term Loan Lenders issued the term loan facility in the aggregate principal amount of \$75 million (the “BPIAE Covered Term Loan”), bearing interest at the aggregate of LIBOR and margin (1.3% per annum). As part of LIBOR transition, the BPIAE Covered Term Loan Agreement was amended pursuant to a certain agreement, dated July 13, 2023, such that LIBOR was substituted for SOFR plus a customary adjustment spread. As of the Petition Date, the outstanding principal amount of the BPIAE Covered Term Loan is approximately \$67 million.

68. ***Seventh***, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the “Revolving WC Facility Agreement”), by and among Northvolt Ett AB, as borrower, ING Bank N.V., as facility agent and intercreditor agent, and certain financial institutions party thereto from time to time (the “Revolving WC Facility Lenders”). Pursuant to the Revolving WC Facility Agreement, the Revolving WC Facility Lenders issued the revolving working capital facility in the aggregate principal amount of \$110 million (the “Revolving WC Facility,” and together with the EIB Term Loan, the Commercial Uncovered Term Loan, the KEXIM Term Loan, the Euler

Hermes Covered Term Loan, the NEXI Covered Term Loan, and the BPIAE Covered Term Loan, the “First Lien Facilities”). The Revolving WC Facility bears interest at the aggregate of LIBOR and margin (from financial close until, but excluding, the first scheduled repayment date, 3.5% per annum; and from and including the first scheduled repayment date until the final maturity date, 3.25% per annum). As part of LIBOR transition, the Revolving WC Facility Agreement was amended pursuant to a certain agreement, dated July 13, 2023, such that LIBOR was substituted for SOFR plus a customary adjustment spread. As of the Petition Date, the outstanding principal amount of the Revolving WC Facility is approximately \$110 million.

***b. Second Lien Facility.***

69. In addition, Debtor Northvolt Ett AB is party to that certain agreement, dated as of July 28, 2020 (as amended, restated, supplemented, or otherwise modified from time to time, the “Second Lien Facility Agreement”), by and among Northvolt Ett AB, as borrower, Northvolt Ett Fastighetsförvaltning AB, as PropCo, ING Bank N.V., as intercreditor agent, Danske Bank A/S, as facility agent, and certain financial institutions party thereto from time to time (collectively, the “Second Lien Secured Lenders,” and together with the First Lien Secured Lenders, the “Prepetition Secured Lenders”).

70. The Second Lien Facility Agreement provides for a \$255 million second-lien facility (the “Second Lien Facility”), as of the original closing date of the Second Lien Facility Agreement, bearing interest at the cash rate of 5% or various payment-in-kind rates. Pursuant to the Intercreditor Agreement and the Security Agreements, the Second Lien Facility is secured on a second-priority basis by the Prepetition Collateral (including a first-lien pledge over the Second Lien Cash Interest Payment Account, as defined in the Intercreditor Agreement). The Second Lien Facility matures on June 30, 2030. As of the Petition Date, the outstanding principal amount of the Second Lien Facility is approximately \$405 million.

*c. Northvolt Ett Inventory Financing.*

71. Debtor Northvolt Ett AB is party to that certain agreement, dated as of January 22, 2024 (as amended, restated, supplemented, or otherwise modified from time to time, the “Inventory Financing Agreement”), by and among Northvolt Ett AB, as purchaser, and Helios I B.V., as seller. The Inventory Financing Agreement provides for a \$72 million working capital facility (the “Inventory Financing Facility”) pursuant to which Northvolt Ett AB has agreed to repurchase excess inventory that it previously sold to Helios I B.V. after twelve months. The Inventory Financing Facility is secured by the inventory subject to the sale and matures on January 24, 2025. As of the Petition Date, there is approximately \$72 million in aggregate principal outstanding.

*d. Northvolt Ett Second Inventory Financing.*

72. Debtor Northvolt Ett AB is party to that certain agreement, dated as of March 19, 2024 (as amended, restated, supplemented, or otherwise modified from time to time, the “Second Inventory Financing Agreement”), by and among Northvolt Ett AB, as borrower, ING Bank N.V., Amsterdam, Lancy / Geneva Branch and Société Générale, as arranger, ING Bank N.V., Amsterdam, Lancy / Geneva Branch, as security agent, ING Bank N.V., as documentation agent, and Société Générale, as agent. The Second Inventory Financing Agreement provides for a \$300 million revolving financing facility (the “Second Inventory Financing Facility”) for general working capital purposes, bearing interest at the rate of margin and compounded reference rate. The Second Inventory Financing Facility is secured by inventory, particularly raw materials, and matures on March 18, 2025. As of the Petition Date, there is approximately \$42 million in aggregate principal outstanding.

### 3. Northvolt Ett Hedging Arrangements.

73. As part of its agreements with the First Lien Secured Lenders under the First Lien Facilities, Northvolt Ett AB is obligated under the Intercreditor Agreement to hedge at least 70% of the repayment profile but not higher than 110% of the projected outstanding amounts under the First Lien Facilities. In accordance with this requirement, Northvolt Ett AB is currently party to eight interest rate contract arrangements (as amended, supplemented, or otherwise modified from time to time, the “Prepetition Hedging Arrangements”) with seven different investment grade counterparties: BNP Paribas, Danske Bank A/S, ING Bank N.V., Intesa Sanpaolo S.p.A, Skandinaviska Enskilda Banken AB (Publ), Société Générale, and Swedbank AB (Publ) (collectively, the “Prepetition Hedging Counterparties”). Each of the Prepetition Hedging Arrangements are governed by an individual ISDA Master Agreement (and an accompanying schedule to each ISDA Master Agreement), each dated July 28, 2020, between Northvolt Ett AB and each respective Prepetition Hedging Counterparty (the “ISDA Agreements”), as confirmed and supplemented by a letter of confirmation of the interest rate swaps with each Prepetition Hedging Counterparty that sets forth the terms of each Prepetition Hedging Arrangement (the “Confirmation Letters”). The Confirmation Letters are dated between June 29, 2023, and July 7, 2023, and effective as of June 30, 2023.

74. All of the Prepetition Hedging Arrangements include pay-fixed, receive-variable interest rate contract agreements, pursuant to which Northvolt Ett AB biannually makes fixed interest rate payments to, and receives variable interest rate payments from, the Prepetition Hedging Counterparties based on notional principal amounts. The fixed interest rate under each Prepetition Hedging Arrangement is 4.65%, while the floating interest rate payment is linked to the SOFR benchmark, after previously being linked to the USD LIBOR benchmark. For each of the Prepetition Hedging Arrangements, the notional amounts decrease over the course of the

remainder of the arrangements, which terminate on June 30, 2027. Pursuant to the Prepetition Hedging Arrangements, the Security Agreements, and the Intercreditor Agreement, the obligations under the Prepetition Hedging Arrangements are secured by first-priority security interests in and liens on the Prepetition Collateral that rank *pari passu* with the Debtors' obligations and liabilities under the First Lien Facilities. As of the Petition Date, on account of the Prepetition Hedging Arrangements, the Debtors were party to a total of approximately \$795 million in a notional amount of interest rate hedges. As of the end of October, these interest rate hedges had a mark-to-market asset value of approximately \$500,000.<sup>9</sup>

#### **4. Northern Lights Commitments.**

75. In 2023, to refinance the Northvolt Ett Snowball Facilities and fund the development of the Northvolt Ett expansion project, the Company entered into a debt package (the “Northern Lights Finance Arrangements”) pursuant to which it obtained \$4.5 billion in debt commitments (the “Northern Lights Commitments”). In connection with the Northern Lights Commitments, Debtor Northvolt Ett AB is party to that certain agreement, dated as of December 22, 2023 (as amended, restated, supplemented, or otherwise modified from time to time, the “Expansion Financing Co-ordination Agreement”), by and among Northvolt AB, as sponsor, Northvolt Ett AB, as borrower, Northvolt Ett Fastighetsförvaltning AB, as PropCo, Northvolt Ett Expansion AB, as ExpansionCo, Northvolt Ett Expansion Fastighetsförvaltning AB, as Expansion PropCo, Crédit Agricole Corporate and Investment Bank, as Expansion Financing Co-ordination Agreement agent (the “EFCA Agent”) and new intercreditor agent, ING Bank N.V., as existing

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<sup>9</sup> In the event that the Prepetition Hedging Arrangements are terminated, or a payment is not made, the Debtors would pay certain breakage fees as laid out in the respective ISDA Agreements (and accompanying schedules to the ISDA Agreements) and the Intercreditor Agreement.

intercreditor agent, Swedbank AB (Publ), as existing security agent and new security agent, and certain financial institutions and entities party thereto from time to time.

76. The ability of Northvolt Ett AB to draw on the Northern Lights Commitments was subject to a number of conditions precedent, including milestones regarding the development of the Northvolt Ett expansion project. Given that the Company has abandoned the expansion project and Northvolt Ett Expansion AB is undergoing a Swedish liquidation proceeding, Northvolt Ett AB cannot satisfy the conditions precedent to draw on the Northern Lights Commitments.

77. In accordance with the terms of the Expansion Financing Co-ordination Agreement, the EFCA Agent delivered a notice (the “EFCA Unwind Notice”) to Northvolt AB and Northvolt Ett AB stating that the Swedish liquidation proceeding of Northvolt Ett Expansion AB constitutes an EFCA Unwind Event (as defined in the Expansion Financing Co-ordination Agreement) and consequently, the EFCA Agent decided to unwind the Northern Lights Finance Arrangements, effective as of November 14, 2024 (the “EFCA Unwind Date”). Under the Expansion Financing Co-ordination Agreement, Northvolt Ett AB is required to pay all fees, costs, and expenses accrued in connection with the Northern Lights Finance Arrangements (including in respect of the Northern Lights Commitments) with funding from Northvolt AB within fifteen business days of the EFCA Unwind Date. On the EFCA Unwind Date, the Northern Lights Finance Arrangements and the obligations of Northvolt AB and Northvolt Ett AB thereunder were terminated (other than in respect of the liability to pay the amount aforementioned). As of the Petition Date, the outstanding fees (including commitment fees, structuring fees, and agency fees under the Northern Lights Finance Arrangements) are approximately \$44 million.

## **5. Canadian Debt Facility.**

78. Non-Debtor Northvolt Batteries North America Inc. is party to that certain loan agreement, dated as of October 31, 2023 (as amended, restated, supplemented, or otherwise

modified from time to time, the “Canada Land Loan Agreement”), by and among MCMSB General Partnership (acting and represented by its general partners 9500-9551 Québec Inc. and Northvolt Batteries North America Inc.), as borrower, 9500-9551 Québec Inc. (acting in its own capacity), Northvolt Batteries North America Inc. (acting in its own capacity), and Investissement Québec, as lender (the “Canadian Secured Lender”), in order to finance the acquisition of Canadian property for the establishment of Northvolt Six in Montréal.

79. The Canada Land Loan Agreement provides for a CAD\$240 million loan facility (the “Canada Land Loan”), bearing interest at a fixed rate of 4.99%, payable upon maturity on October 31, 2038. The Canada Land Loan is secured by Canadian land as well as certain other assets and an equity pledge of the borrower. As of the Petition Date, the outstanding principal amount of the Canada Land Loan is approximately \$181 million. The Canada Land Loan Agreement is also subject to compliance with certain project milestone requirements as separately agreed between the Canadian Secured Lender and Northvolt Batteries North America Inc.

## **6. Equity Interests.**

80. Northvolt AB’s shares are issued through a combination of: (i) ordinary shares of Series A (“A Shares”), (ii) preference shares of series D1-D20 (“D Shares”), and (iii) preference shares of series E1-E10 (“E Shares”). As of the Petition Date, there are approximately 7 billion A Shares, approximately 13 billion D Shares, and approximately 12 billion E Shares outstanding. Northvolt AB is a private company, and as such, its stock does not trade publicly.

## **Part III: Events Leading to These Chapter 11 Cases**

### **A. Northvolt Faces Operational Setbacks and the Electric Car Industry Slumps.**

81. Northvolt has not been immune to the operational challenges that other battery manufacturers and participants in other burgeoning technology industries have faced. Although Northvolt has secured \$55 billion in customer orders from numerous major carmakers, the

Company has had difficulties scaling up production to meet these demands. For example, while intended to be fully operational by 2023, Northvolt Ett lagged in advancing production to meet its ambitious targets. Northvolt also remains reliant on Chinese suppliers for certain critical materials and machinery, which leaves the Company vulnerable to supply chain disruptions.

82. Although Northvolt has learned from these setbacks and continues to improve its operations, the Company has been severely impacted by broader market conditions. In recent years, electric vehicles have seen healthy growth in sales, wider model availability, and increased performance. This has led to massive investment from many stakeholders in the electric vehicle ecosystem. A few years later, however, the electric vehicle industry's rapid growth began to slow. Electric vehicles made up approximately 18% of global passenger-vehicle sales in 2023, but electric vehicle sales slowed in 2024—the first downturn since 2020. As a result, manufacturers began pulling back on electric vehicle production to better align with evolving market dynamics. The European vehicle market followed the same trend. Volvo, for example, abandoned its near-term goal of selling only electric vehicles amid changing market conditions. In addition, Volkswagen embarked on a \$11.1 billion cost-cutting effort and announced plans to shutter at least three factories, eliminate tens of thousands of positions, and reduce pay for remaining employees.

83. Northvolt's performance tracked that of the industry. The Company's \$285 million net loss in 2022 widened to a \$1.2 billion net loss in 2023. With the recent slowdown in enthusiasm for electric vehicles, the battery industry is wrestling with a combination of oversupply, underutilization of capacity, and lower return on investments. Producing batteries profitably and at scale has also become increasingly difficult due to high costs and technical difficulties. This has resulted in various companies, including Northvolt, delaying their electric vehicle projects and

investors pulling back on investments in the battery industry. These headwinds have hindered Northvolt's business plan and expansion efforts.

84. While experts expect a period of stagnation in the electric vehicle industry, this downturn is not anticipated to last long term. Electric vehicle prices are expected to come down, range is increasing with improved battery technology, and public charger infrastructure is continuing to be installed, all of which will help revive sales growth in the coming years. According to a report filed by market researcher Bloomberg New Energy Finance in early 2024, 45% of global passenger-vehicle sales will be electric vehicles by 2030, with that percentage jumping to 73% by 2040.<sup>10</sup> Northvolt's state-of-the-art facilities, investment in technological advancements, and strategic partnerships position it well to seize on the expected market rebound and future boom.

#### **B. Northvolt Recalibrates Its Operational Focus.**

85. To combat these setbacks and broader market conditions, Northvolt has taken an array of steps to improve its financial stability and streamline its operational focus:

- In June 2024, Northvolt abandoned plans to build its Northvolt Fem factory in Borlänge, Sweden, and sold the land to the local municipality.
- In August 2024, Northvolt announced that it would shut down Cuberg's research and development facility in the San Francisco Bay Area, relocating key battery research and development efforts to its research and development center in Västerås, Sweden. Cuberg intends to wind-down its remaining operations in connection with these chapter 11 cases.
- In September 2024, Northvolt announced the discontinuation of the expansion of Northvolt Ett, which was intended to triple the capacity at Northvolt's gigafactory in Skellefteå. Following this decision, in October 2024, Northvolt Ett Expansion AB, the subsidiary managing the expansion, filed a liquidation proceeding under the Swedish Bankruptcy Act in the Stockholm District Court.

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<sup>10</sup> Colin McKerracher et al., *Electric Vehicle Outlook 2024*, BLOOMBERGNEF (June 12, 2024), <https://about.bnef.com/electric-vehicle-outlook/#download>.

- In September 2024, Northvolt announced that it would eliminate 1,600 jobs, approximately a quarter of its entire workforce. Northvolt cut roughly 1,000 jobs at Northvolt Ett, 400 jobs at Northvolt Labs, and 200 jobs at its “Volthouse” corporate headquarters in Stockholm.
- In September 2024, Northvolt announced that it would stop producing cathode materials, a key battery building block, and the Company has taken steps to sell off its stockpile of excess battery materials.
- In October 2024, Northvolt announced that it would cease contributing further capital to NOVO Energy. Volvo subsequently announced that it would exercise its share redemption right and buyout Northvolt from the joint venture. Negotiations with Volvo remain ongoing.
- Plans for other gigafactories, such as Northvolt Six in Montréal, Québec, and Northvolt Drei in Heide, Germany have been postponed, though the well-funded and permitted projects remain important pieces of the Company’s future strategy.
- Northvolt is engaged in an active sale process including Northvolt Dwa Industrial, its Poland-based battery assembly business, and Revolt Ett, its battery recycling facility. The Company intends to facilitate those sales in connection with these chapter 11 cases.

**C. Prepetition Negotiations with Creditors, Debtor-in-Possession Financing, Cash Collateral, and the Path Forward in Chapter 11.**

**1. Prepetition Negotiations, the DIP Facility, and the Use of Cash Collateral.**

86. In parallel with Northvolt’s operational initiatives, in August 2024, the Company engaged with its lenders, customers, and shareholders to find a solution to the Company’s immediate funding needs. Northvolt understood that any long-term solution would likely require the participation and alignment of each of these key stakeholders groups.

87. Initial negotiations with shareholders proved fruitful. In early August 2024, the Company entered into the \$154 million Shareholder Bridge Facility to improve its liquidity position and support the ramp-up of production at Northvolt Ett. The Shareholder Bridge Facility served as a temporary financing solution to navigate immediate cash flow needs, while allowing for additional borrowing capacity up to \$750 million in aggregate (any increase in commitments under the borrowing capacity, an “Accordion Increase”) subject to Shareholder Bridge Facility

Lender consent. In late August 2024, however, as the Company's liquidity was again strained, certain investors advised Northvolt that they would not be in a position to fund an Accordion Increase without corresponding commitments from other stakeholders.

88. With liquidity again dwindling, Northvolt began evaluating strategic alternatives to obtain a longer runway to enable its business turnaround. The Company and its constituents devised a new interim financing arrangement, aggregating \$384 million, to provide a line of sight to a liquidity runway through mid-January 2025, while working towards a wider recapitalization plan (the "Stable Platform"). The Stable Platform was based on a burden share between three stakeholder groups, with funds being provided in tranches by (a) certain of the Company's shareholders, (b) Scania, a key customer and Volkswagen subsidiary, and (c) the Prepetition Secured Lenders. The initial Stable Platform proposal included (x) new commitments from existing Shareholder Bridge Facility Lenders of \$150 million pursuant to an Accordion Increase to be funded into Northvolt AB, (y) a commitment from Scania of \$100 million to be funded into Northvolt AB, and (z) a \$134 million release from Northvolt Ett AB's debt service reserve account (the "DSRA") to be funded into Northvolt Ett.

89. As negotiations progressed, however, the Company's liquidity need again became acute. In October 2024, the Prepetition Secured Lenders and the Shareholder Bridge Facility Lenders agreed to provide the Company an initial execution bridge (the "Execution Bridge"). The Execution Bridge provided the Company with immediate term financing in the form of: (a) a release of \$24.8 million from the DSRA to Northvolt Ett AB, with first ranking security over the shares in Northvolt Labs AB; and (b) funding of \$24.8 million of then-unapplied Shareholder Bridge Facility funds to be utilized for general corporate needs.

90. With its extended runway, the Company, with the assistance of its advisors, negotiated multiple permutations of the Stable Platform proposal in the weeks leading up to the Petition Date. Although significant progress was made, a final deal proved elusive due in large part to the unique interests and requirements of each stakeholder group. Thus, it became apparent that the Company would be unable to secure new financing on an out-of-court basis. The Prepetition Secured Lenders and Scania, however, indicated that they would be willing to continue engaging with the Company to explore financing options as part of a chapter 11 process.

91. The Debtors primarily focused on raising debtor-in-possession financing from Scania and the consensual use of cash collateral from the Prepetition Secured Lenders, in each case with the ultimate goal of bridging to a holistic recapitalization of the Company. In parallel, in the weeks leading up to the Petition Date, the Company, with the assistance of its advisors, engaged in discussions with numerous potential third-party investors to assess interest in providing debtor-in-possession financing. Although certain investors expressed interest, no viable third-party financing alternative materialized. The Company and its advisors plan to continue engaging with these parties and other potential investors on a postpetition basis.

92. After weeks of hard-fought, arm's length negotiations, the Company agreed to terms with (a) Scania for a \$100 million postpetition debtor-in-possession financing facility (the "DIP Facility") to be funded in three tranches of \$51 million, \$25 million, and \$24 million, and (b) the Prepetition Secured Lenders for access to cash collateral through (i) an approximately \$110 million release from the DSRA (\$28 million of which will continue to be held in the DSRA until the share pledge over the shares held by Northvolt AB in Northvolt Batteries North America Inc. is granted) and (ii) an approximately \$35 million release from other of Northvolt Ett AB's

bank accounts (the “Cash Collateral”).<sup>11</sup> The DIP Facility and the continued use of Cash Collateral will provide essential liquidity to Northvolt to operate as a going concern during these chapter 11 cases while working towards a long-term solution.

## **2. The Path Forward in Chapter 11.**

93. Through these chapter 11 cases, Northvolt endeavors to find one or more long-term partners who will provide financial support to the Company as it implements its go-forward business plan. The Company’s refined business plan contemplates a renewed focus on Northvolt Ett—which is operating with a line of sight to increased capacity—and Northvolt Drei and Northvolt Six—well-funded and already-permitted projects with significant government support that represent the cornerstone of Northvolt’s future strategic growth. To that end, the Company and its advisors are engaged in a far-reaching search for one or more partners that can provide (a) incremental debtor-in-possession financing to fund the chapter 11 cases to completion and (b) exit financing to launch Northvolt on a path to long-term sustainability and growth.

94. The Company, with the assistance of Rothschild, has commenced a comprehensive marketing process and is currently engaging with existing stakeholders and new potential strategic and financial investors. Any and all interested parties, regardless of their desired transaction type, are encouraged to contact Rothschild as soon as possible and submit proposals by early December. Rothschild intends to carry out a flexible marketing process to maximize value for the benefit of all stakeholders. In parallel, to the extent that these efforts are unsuccessful, the Company will

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<sup>11</sup> The facts and circumstances surrounding the DIP Facility and use of Cash Collateral, and an overview of the terms and conditions thereof, can be found in the *Declaration of Scott Millar, Senior Managing Director of Teneo, in Support of the Debtors’ DIP Motion and Cash Collateral Motion* and the *Declaration of Andrew Yearley in Support of the Debtors’ DIP Motion and Cash Collateral Motion*, each filed substantially contemporaneously herewith.

assess potential opportunities for a sale of some or all assets and has engaged Hilco Global to assist with an orderly liquidation process if necessary.

95. In addition, on a prepetition basis, the Company substantially advanced a sale process for certain assets owned by Debtors Northvolt Systems AB, Northvolt Poland sp. z o.o., and Northvolt Revolt AB that are not contemplated as part of its go-forward business plan. The Company intends to consummate these sales during the course of the chapter 11 cases, which will further its goal of streamlining operations and bolstering its liquidity position.

96. Finally, to ensure enhanced corporate governance in this next crucial phase, Northvolt determined that it was in the best interests of the Company and its stakeholders to appoint two independent and disinterested directors with meaningful experience navigating similar distressed situations. Northvolt Ett AB appointed Paul O'Donnell to its board of directors, and, in the near term, Northvolt AB will appoint Stefan Selig, who is currently serving as an advisor to its board of directors.

### **Conclusion**

97. Although the path forward remains uncertain, Northvolt trusts that it can build on its billions of dollars of investment and groundbreaking facilities and technology to achieve a value-maximizing recapitalization or sale in chapter 11. The Company and its advisors stand ready to engage with all interested parties.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: November 21, 2024

*/s/ Scott Millar*

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Name: Scott Millar

Title: Senior Managing Director  
Teneo Financial Advisory LTD

**Exhibit A**

**Evidentiary Support for First Day Motions<sup>1</sup>**

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the applicable First Day Motion.

**Evidentiary Support for First Day Motions<sup>2</sup>**

1. The Debtors have filed a number of First Day Motions seeking orders granting various forms of relief that are necessary for the Debtors to meet critical obligations and fulfill their duties as debtors in possession.

2. The First Day Motions request authority to pay certain prepetition claims. I understand that Federal Rule of Bankruptcy Procedure 6003 provides, in relevant part, that the Court shall not consider motions to pay prepetition claims. I understand that Federal Rule of Bankruptcy Procedure 6003 provides, in relevant part, that the Court shall not consider motions to pay prepetition claims during the first twenty-one days following the filing of a chapter 11 petition “except to the extent relief is necessary to avoid immediate and irreparable harm.” In light of this requirement, the Debtors have narrowly tailored their requests for immediate authority to pay certain prepetition claims to those circumstances where the failure to pay such claims would cause immediate and irreparable harm to the Debtors and their estates. Other relief will be deferred for consideration at a later hearing.

3. I am familiar with the information contained in each First Day Motion and believe that the relief sought in each motion (a) is necessary to enable the Debtors to operate in chapter 11 with minimal disruption or loss of productivity and value, (b) constitutes a critical element for the Debtors to successfully implement a chapter 11 strategy, and (c) best serves the Debtors’ estates and creditors’ interests. A description of the relief requested and the facts supporting each of the First Day Motions is detailed below:

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<sup>2</sup> To the extent there is any conflict or inconsistency between the relief described herein and the relief requested in the applicable First Day Motion, the relief requested in the applicable First Day Motion shall govern.

4. ***Joint Administration Motion.*** The *Debtors' Emergency Motion for Entry of an Order (I) Directing Joint Administration of the Debtors' Chapter 11 Cases and (II) Granting Related Relief* seeks joint administration of the Debtors' cases for procedural purposes only, given the integrated nature of the Debtors' operations. Joint administration for procedural purposes only will provide significant administrative convenience without harming the substantive rights of any party in interest. Parties in interest will also benefit from the cost reductions associated with the joint administration of these chapter 11 cases.

5. ***Automatic Stay Motion.*** The *Debtors' Emergency Motion for Entry of an Order (I) Restating and Enforcing the Worldwide Automatic Stay, Anti-Discrimination Provisions, and Ipsa Facto Protections of the Bankruptcy Code, (II) Approving the Related Form and Manner of Notice, and (III) Granting Related Relief* seeks a court order (a) restating and enforcing the worldwide automatic stay, anti-discrimination provisions, and *ipso facto* protections of the Bankruptcy Code, and (b) approving the form and manner of notice related thereto. Given the global scope of the Debtors' business, many of the Debtors' suppliers and trade creditors lack meaningful, if any, contact with the United States and may be unfamiliar with the chapter 11 process, the scope of a debtor in possession's authority to operate its business, or the importance and implications of the worldwide automatic stay. Certain of the Debtors' non-U.S. creditors may also attempt to seize assets located outside of the United States or take other actions that violate the automatic stay to the detriment of the Debtors, their estates, and their other creditors. The relief requested will protect the Debtors against improper actions that non-U.S. parties in interest may take and assuage such parties in interest of any concerns during the pendency of these chapter 11 cases.

6. ***156(c) Retention.*** The *Debtors' Emergency Ex Parte Application for Entry of an Order Authorizing the Employment and Retention of Stretto, Inc. as Claims, Noticing, and Solicitation Agent* seeks authority to employ Stretto as claims, noticing, and solicitation agent for the Debtors. Stretto's employment is in the best interest of the estates in light of the number of parties in interest and the complexity of the Debtors' businesses because it will provide the most efficient means for noticing and processing proofs of claim. Further, Stretto has the expertise required for complex chapter 11 cases.

7. ***Creditor Matrix Motion.*** The *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) File a Consolidated Creditor Matrix and a Consolidated List of the 30 Largest Unsecured Creditors, (B) Redact Certain Personally Identifiable Information of Natural Persons, and (C) Serve Certain Parties in Interest by Email, (II) Approving the Form and Manner of Notifying Creditors of the Commencement of the Chapter 11 Cases and Other Information, and (III) Granting Related Relief* seeks a court order (i) authorizing the Debtors to (a) file a consolidated creditor matrix and a consolidated list of the Debtors' thirty largest unsecured creditors, (b) redact certain personally identifiable information of natural persons, and (c) serve certain parties in interest by email, and (ii) approving the form and manner of notifying creditors of the commencement of these chapter 11 cases and other information. Pursuant to the Complex Rules, the lead debtor in a jointly administered "Complex Case" is required to file a single, consolidated list of unsecured creditors on Official Form 204, consisting of the thirty largest unsecured creditors of all jointly administered debtors. Thus, it is appropriate for the Debtors to file a single, consolidated list of their thirty largest unsecured creditors. The redaction of certain personally identifiable information of individuals is necessary due to the privacy and safety concerns that would arise if such information were disclosed in the Debtors' court filings and to

help the Debtors comply with applicable privacy laws. Serving notices by email would alleviate administrative burden, reduce costs, and is the most likely method to provide actual notice to parties in interest, especially with respect to the Debtors' numerous international creditors. Approving the form and manner of the notice of commencement is necessary not only to avoid confusion among creditors but to prevent the Debtors' estates from incurring unnecessary costs associated with serving multiple notices to the parties listed on the Debtors' voluminous Consolidated Creditor Matrix.

8. ***Schedules/SOFA Motion.*** The Debtors' *Emergency Motion for Entry of an Order* (*I*) *Extending Time to File (A) Schedules and Statements and (B) Rule 2015.3 Financial Reports*, (*II*) *Modifying the Requirements of Bankruptcy Local Rule 2015-3, and (III) Granting Related Relief* seeks authority to extend the deadline by which the Debtors must file their Schedules and Statements and 2015.3 Reports to fifty-nine days from the Petition Date. To prepare their Schedules and Statements and 2015.3 Reports, the Debtors will have to compile information from books, records, and documents relating to thousands of claims, assets, and contracts from each Debtor entity. The Debtor books and records are located in multiple systems across their various locations throughout Europe and the United States. Information must be gathered from all of these systems to prepare the Schedules and Statements, which will require significant expenditure of time and effort. Given the size, complexity, and global nature of the Debtors' business and financial affairs, the Debtors are not able to complete the Schedules and Statements within the time period set forth in Bankruptcy Rule 1007(c). As such, ample cause exists to extend the time by which the Debtors must prepare their Schedules and Statements and 2015.3 Reports. The preparation of these documents was not practicable prior to the Petition Date given the Debtors'

focus on preparing a smooth transition into chapter 11. Finally, the relief requested will not prejudice any party in interest.

9. ***Taxes Motion.*** The *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Payment of Certain Taxes and Fees, (II) Authorizing the Debtors to Continue Group Contributions, and (III) Granting Related Relief* seeks authority to (a) negotiate, remit, and pay certain prepetition and postpetition (or use tax credits to offset) Taxes and Fees to the Authorities in the ordinary course of business during these chapter 11 cases and (b) continue the Group Contributions between certain Debtor and non-Debtor affiliates. Failure to pay Taxes and Fees could materially disrupt the Debtors' business operations. Further, claims on account of certain of the Taxes and Fees may be priority claims entitled to payment before general unsecured claims, and certain of those claims may be entitled to secured status. Finally, the Debtors' failure to pay the prepetition Taxes and Fees as they come due may ultimately increase the Debtors' tax liability and result in personal liability for the Debtors' directors and officers, which would distract from the Debtors' restructuring efforts.

10. ***Insurance Motion.*** The *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Maintain Insurance and Surety Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Continue to Pay Certain Brokerage Fees, and (C) Renew, Amend, Supplement, Extend, Purchase, and Enter into New Insurance Policies and Surety Bonds, and (II) Granting Related Relief* seeks authority to (a) maintain insurance and surety coverage entered into prepetition and satisfy prepetition obligations related thereto in the ordinary course of business on a postpetition basis, (b) continue to pay certain brokerage fees, (c) renew, amend, supplement, extend, or purchase insurance and surety coverage in the ordinary course of business on a postpetition basis, and (d) maintain the

surety bond program without interruption. Continuation and renewal of the Insurance Policies and Surety Bonds is essential to preserving the value of the Debtors' business, properties, and assets.

11. ***Utilities Motion.*** The *Debtors' Emergency Motion for Entry of an Order* (I) *Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services*, (II) *Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services*, (III) *Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests*, and (IV) *Granting Related Relief* seeks a court order (a) approving the Debtors' proposed adequate assurance of payment of future utility services and determining that such proposed adequate assurance provide the Utility Providers with adequate assurances of payment, (b) prohibiting Utility Providers from altering, refusing, or discontinuing service, and (c) approving the Debtors proposed procedures for resolving any additional adequate assurance requests. Should any Utility Provider refuse, alter, or discontinue any Utility Service, even for a brief period, the Debtors' entire business, including measures undertaken to ensure the employees' health and safety, would be disrupted, which would jeopardize the Debtors' ability to successfully reorganize. Therefore, ensuring uninterrupted utility services is essential to operating in the ordinary course.

12. ***Cash Management Motion.*** The *Debtors' Emergency Motion for Entry of Interim and Final Orders* (I) *Authorizing the Debtors to (A) Continue Using the Cash Management System, (B) Maintain Existing Bank Accounts, Business Forms, and Books and Records, and (C) Continue Intercompany Transactions*, (II) *Granting Administrative Expense Status to Postpetition Intercompany Transactions*, and (III) *Granting Related Relief* seeks a court order (a) authorizing, but not directing, the Debtors to operate their cash management system and maintain their existing bank accounts, including honoring certain prepetition obligations related thereto, (b) authorizing, but not directing, the Debtors to continue to perform Intercompany

Transactions, (c) granting administrative expense status to the Intercompany Transactions among the Debtors and between the Debtors and their non-Debtor affiliates, (d) allowing the Debtors to seek an interim extension to comply with the deposit and investment guidelines set forth in section 345(b) of the Bankruptcy Code and a subsequent waiver thereof, and (e) granting related relief.

13. ***Wages Motion.*** The *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief* seeks authority to pay prepetition wages, salaries, other compensation, and reimbursable expenses and continue employee benefits programs in the ordinary course. The Debtors are seeking authority to pay and honor certain prepetition claims relating to the Compensation and Benefits, including, among other things, Wage Obligations, Staffing and Independent Contractor Obligations, Payroll Processing Fees, Reimbursable Expenses, Relocation Benefits, Payroll Taxes, Union Obligations, Health Insurance and Pension Benefits, PTO and Paid Leave Benefits, the Warrant Program, the Non-Insider Retention Bonus Program, the Severance Program, the Non-Employee Director Compensation, Ancillary Benefit Programs, and certain other benefits that the Debtors provide in the ordinary course. The Debtors' employ approximately 6,600 employees, who perform a wide variety of job functions that are critical to the Debtors' continued operations and efficient administration of these chapter 11 cases. Importantly, the Workforce cannot be easily replaced, especially given the specialized and technical nature of the industries in which Northvolt operates and the corresponding sophistication of Northvolt's customers and partners. The Debtors believe that absent payment of the Compensation and Benefits owed to their employees, the Debtors may experience employee turnover and instability

at this critical time in these chapter 11 cases. Further, the vast majority of the Debtors' employees rely exclusively or primarily on the Compensation and Benefits to pay their daily living expenses and support themselves or their families. Thus, the employees will face significant financial consequences if the Debtors are not permitted to continue the Compensation and Benefits in the ordinary course of business. Consequently, the relief requested is necessary and appropriate.

14. ***Customer Contracts Motion.*** The *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to (A) Honor and Incur Obligations Under Customer Contracts and (B) Obtain New Customer Contracts, and (II) Granting Related Relief* seeks authority to (a) honor, pay, or otherwise satisfy any and all prepetition and postpetition obligations incurred in relation to the Existing Customer Contracts, including Contract Adjustments, Operating Costs, Liquidated Damage Payments, Warranties, and Indemnifications and (ii) incur, honor, pay, or otherwise satisfy any and all prepetition and postpetition obligations related to attracting, seeking, entering into, and maintaining New Customer Contracts, including Contract Adjustments, Operating Costs, Liquidated Damage Payments, Warranties, and Indemnifications. The Debtors' revenue depends on their ability to attract and retain Customers on the terms set forth in the various agreements entered into with the Customers. The Debtors' ability to maintain the Existing Customer Contracts and execute extension options thereto and attract, seek, enter into, and secure New Customer Contracts on favorable terms are critical to the Debtors' long-term success and viability. The expiration, default, termination, or cancellation of Existing Customer Contracts or the failure to execute New Customer Contracts would dramatically reduce revenue to the detriment of all parties in interest. Furthermore, the harm to the Debtors' reputation that would result from material breaches of the Existing Customer Contracts would likely inhibit the Debtors' ability to obtain New Customer Contracts, particularly considering the competitive nature of the

electric-vehicle batteries market around the world. This would, in turn, jeopardize the Debtors' ability to secure additional capital and threaten the Debtors' ability to effectuate a successful restructuring.

15. ***Foreign Vendors Motion.*** The Debtors' *Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Payment of Certain Trade Claims, (II) Confirming Administrative Expense Priority of Outstanding Purchase Orders, and (III) Granting Related Relief* seeks a court order (a) authorizing the Debtors to pay in the ordinary course of business all prepetition amounts owing on account of Foreign Trade Claims, Lien Claims, and 503(b)(9) Claims and (b) confirming the administrative expense priority of Outstanding Purchase Orders and authorizing the payment of such obligations in the ordinary course of business. The Trade Claimants are a critical component of the Debtors' ability to develop, manufacture, and deliver state-of-the-art batteries. Most of the Trade Claimants are difficult to replace due to geography, the specialized nature of the equipment or raw materials that they supply, or expertise and institutional knowledge they possess regarding the Debtors' operations, machinery, and assets. Many Trade Claimants supply the materials, supplies, parts, and equipment necessary for the Debtors' battery production line and related research and development initiatives and are not easily replaceable. Other Trade Claimants provide utilities or other services and equipment that prevent and mitigate health, safety, and environmental related issues. Accordingly, any delays or material changes in such services due to the Debtors failure to pay the prepetition claims of certain Trade Claimants according to the existing trade terms could significantly disrupt the Debtors' operations to the detriment of all stakeholders.

**Exhibit B**

**Corporate Organizational Structure**

